



# *The Commonwealth of Massachusetts*

## *Department of Revenue*

*Levensett Saltonstall Building,*

*100 Cambridge Street, Boston 02204*

L. JOYCE HAMPERS  
COMMISSIONER

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You inquire at what point the Massachusetts sales tax becomes due, and whether a vendor may recover sales taxes paid to the Commonwealth with respect to sales that result in bad debts.

General Laws Chapter 64H, Section 2 imposes the sales tax on sales at retail of tangible personal property in the Commonwealth by any vendor. "Sale" generally means any transfer of title or possession, or both, of tangible personal property for a consideration (G.L. c. 64H, s. 1(12)(a)). When added to the sales price of property, the sales tax is a debt from the purchaser to the vendor, recoverable at law in the same manner as other debts (G.L. c. 64H, s. 3).

In determining the sales price of property on which the sales tax is based, any amount for which credit is given to the purchaser by the vendor must be included (G.L. c. 64H, s. 1(14)(b)(ii)).

Therefore, a vendor becomes liable for the sales tax at the time a sale of tangible personal property takes place, whether or not the purchaser ever pays the purchase price or reimburses the vendor for the tax. Bad debts do not give rise to a right to recover sales taxes paid to the Commonwealth.

Very truly yours,

*L. Joyce Hampers*  
Commissioner of Revenue

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